



ASRS REPORT

ARIZONA STATE RETIREMENT SYSTEM

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May 2, 2008

This report provides a briefing of news and notices important to our members, retirees and employer partners, as well as other interested parties. It is produced by the ASRS on a periodic basis and posted to the ASRS website. If you would like to receive an email notice when the next issue is posted, and you are not already on our email list, please contact us at weeklyreport@azasrs.gov, and provide your name, email address, telephone number and title and organization, if applicable.

Legislative News

With the 48th Legislature-Second Regular Session well underway, the Arizona State Retirement System is highlighting retirement-related legislation that is under consideration.

There are several bills that may have a direct impact on ASRS membership, plus a number of additional bills that affect retirement issues. You may see a summary of the bills and track their progress through the legislative process in the ASRS Bill Tracker. We will update this document each week and make it available for viewing on our website, www.azasrs.gov.

New law affects retirement options

An amendment to Arizona State Statutes governing optional forms of retirement passed in 2006 will take effect July 1, 2008. Under the new law, members who retire on or after July 1, 2008 will have a one-time opportunity to rescind the joint-and-survivor or period-certain annuity option and change to a straight-life annuity option if the originally-named annuitant dies, ceases to be a contingent annuitant under terms of a divorce, or automatically at the end of the selected period-certain term.

The practice of “popping up” and “popping down” between annuity options allowed members to receive a higher benefit through the straight-life annuity, and then extend benefits to a beneficiary at any time by “popping down.” The unrestricted practice causes an unfunded liability to the overall ASRS fund, which had to be paid for through elevated contributions rates by all members.

Members who retire on or before June 30, 2008 are not affected by the new law. The effective date of the 2006 legislation, now contained in A.R.S. § 38-760, was delayed while the ASRS awaited a review from the Internal Revenue Service.

Members contemplating retirement, and especially those in the process of applying for retirement benefits, are strongly urged to speak with an ASRS Member Services representative prior to filing their final retirement applications.

Member News

Educational meetings offered to inform, assist members

The Member Services Division of the ASRS conducts educational meetings available to all members. Whether you're newly hired and want to learn about the benefits available to you, or you're ready to retire and want assistance filling out your paperwork and making annuity selections, the ASRS has a meeting for you.

Know Your Benefits

This meeting is especially beneficial to new members. You'll learn about the many benefits of belonging to the Arizona State Retirement System, including a history and overview of the ASRS, how your pension is calculated and how to maximize your future benefit, member responsibilities, disability and survivor benefits, options should you leave ASRS employment, and more. Also covered will be the Service Purchase benefit, in which a member may purchase, under certain circumstances, time they worked under other qualified employer plans.

Getting Ready for Retirement

This meeting is vital for members who are planning to retire within a year. You'll learn about your pension benefit and how it's calculated, options for retiree health insurance and other benefits, return to work options and more. Members who register for this meeting will receive a personal benefit estimate and assistance in filing out the proper paperwork.

Visit our website and click on the "Calendars" section to see a full listing of meetings taking place in Phoenix, Tucson and throughout the state at various locations. Reservations are required and can be made by calling our Member Services Advisory Center at (602) 240-2000 in Phoenix, (520) 239-3100 in Tucson, or (800) 621-3778 outside Phoenix and Tucson.

Employer News

Webinar offered to employers with 403(b) plans

The Internal Revenue Service plans to host a webinar to address new regulations that will affect employers that offer a 403(b) retirement plan. Information will be provided by a senior tax law specialist with IRS. Employers who offer such plans, and may be interested in this special opportunity, are asked to respond to Michele Briggs at the ASRS. Ms. Briggs is the State Social Security Administrator.

Details of the webinar have yet to be determined, but if you contact Ms. Briggs at micheleb@azasrs.gov, details will be provided to you when they become available. Please respond by Wednesday, May 7.

Tips on properly completing Enrollment Forms

It is vital that the ASRS receives a properly completed enrollment form for all new staff who qualify for ASRS membership and benefits.

The majority of information contained in each record comes from the member's initial enrollment form. The enrollment form is vital because it ensures we have accurate and complete information for our members, triggers the creation of member accounts and provides our actuary with critical information needed to make actuarial assumptions that affect our contribution rates.

Frequently, the ASRS receives enrollment forms that are incomplete and/or have inaccurate information. The following is a list of the most common errors we see:

- Using an outdated enrollment and/or beneficiary form
- Wrong Social Security number
- Enrollment is filled out by employee only, without the required signature from the employer representative
- No address
- No date of birth for member
- No gender for member
- No designated beneficiary
- Beneficiary information incomplete
- Incorrect names
- Missing enrollment form

Regardless of a form not on file, the ASRS must set up a member account if we receive a contribution report from the employer. But, by not having an enrollment form on that individual, we will not have the proper information to provide complete service to that member.

Keep in mind that incomplete forms are returned to the employer for correction. The form will be accompanied by a letter asking you to complete and return the enrollment form to the ASRS.

If you are unsure of how to fill out the enrollment form, please contact the ASRS Employer Relations division or refer to the sample contained in the Employer Manual.

Also keep in mind that the ASRS often updates forms. To ensure you have access to the most recent, up-to-date forms, we have made the most common forms available for download on our website, under the Employer secure section. If you need forms or assistance in this area, please contact an Employer Relations representative. The ASRS appreciates your efforts to help us keep accurate records of your employees!

ASRS Board & Committee Meetings

ASRS Board of Trustees

May 16, 2008, 8:30 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 10th floor Board Room.

Investment Committee

Wednesday, June 4, 2008, 3:30 p.m. – ASRS Phoenix office, 3300 N. Central Ave., 14th floor.

External Affairs Committee

Friday, June 6, 2008, 10 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 14th floor.

Operations Committee

Thursday, June 26, 2008, 10:30 a.m. - ASRS Phoenix office, 3300 N. Central Ave., 14th floor.

Note: All Board & Committee meetings are open to the public and your attendance is encouraged. Schedules, agendas and minutes of meetings are posted on our website and are available at our Phoenix and Tucson offices.